

**SYSTEM AND METHOD FOR REDUCING EXCESS CAPACITY  
FOR RESTAURANTS AND OTHER INDUSTRIES  
DURING OFF-PEAK OR OTHER TIMES**

**5     Field of the Invention**

The invention relates to a system and method for reducing excess capacity for restaurants and other industries during off-peak and other times.

**Background of the Invention**

10        Among the many challenges that restaurants face is the challenge of reducing excess capacity during off-peak times and the general lack of customer level information. Restaurants typically have a fixed number of seats. During certain periods there is greater demand for those seats than others. At some times there are people waiting to get seated (for example, on weekend evenings during dinnertime) and at other times there are unused seats (for example, 4-7 p.m. during the week). Typically unused seats translate to lower sales for a restaurant.

15        Many restaurants do not have detailed information about their customers. This lack of information is a lost opportunity. Typically, restaurants advertise through mass market media (TV, radio, newspapers, etc.). However, 20        this is not the most efficient way to advertise.

      These and other drawbacks and challenges face the restaurant industry. Similar problems are faced by other industries that have excess capacity issues.

## **Summary of the Invention**

An object of the invention is to overcome these and other drawbacks and challenges facing the restaurant and other industries.

5 Another object of the invention is to provide a website that enables a restaurant to auction gift certificates usable during a predetermined period of time (for example, corresponding to a known off-peak period) to enable customers or potential customers to bid on these certificates. According to one embodiment, a minimum price is set for a certificate having a predetermined  
10 face value.

According to another aspect of the invention, a user must register with the website and provide certain identification and demographic information during a registration process. This enables restaurants to obtain more information about customers or potential customers who are likely to be  
15 influenced by marketing campaigns.

According to other features of the invention, the website may further comprise an interactive restaurant guide, a recipe center, a chat/message board, a gifts center, and an award and referral center. Other features and functions may also be included.

20 According to one embodiment, the web site enables a user to participate in an auction for one or more gift certificates or merchandise. To facilitate the ability of a user to find an auction of interest, various search tools may be provided. For example, a user may be able to search for auctions for a particular

restaurant, for a desired cuisine in a desired city, by zip code or other geographic area, or other search parameters. Additionally, or alternatively, the web site may include a listing of types of cuisine, cities, etc., that a user may select (e.g., by clicking on an icon) to view a listing of auctions relevant to that user. Thus, with these or other tools, a user may browse and select an auction of interest and then participate in one or more desired auctions.

According to one aspect of the invention, auctions may be arranged in various ways. For example, there may be a featured auction area that highlights certain auctions. Various organizational techniques can be used for listing and displaying auctions.

Typically, an auction display will include the name of the restaurant, a description of the certificate being auctioned (for example, promotional material regarding the restaurant or a specific feature of the restaurant), the time period for which the certificate is valid (e.g., Monday only, Monday-Thursday, Monday-Thursday 4-7 p.m., etc.). The value of the certificate (for example, \$50.00), any minimum bid, the status of the auction, and other desired information. For example, the status may include the current bid and the time left to bid. Multiple certificates may be auctioned with the same parameters. Also, a user may obtain additional information relating to an auction of interest.

According to another aspect of the invention, a comprehensive interactive restaurant guide is provided. Users may browse by area, cuisine or other parameters when looking for a place to eat. The restaurant guide listings

may offer a brief description of restaurants, a community rating (described below), the number of current auctions, and other pertinent information.

Preferably, the auction system may be set up with affiliate members. According to one embodiment, only affiliate member restaurants are listed in the restaurant guide. According to another embodiment, a broader range of restaurants (or other establishments) may be included.

For example, the guide listing may include the current number of auctions, the name of the restaurant, address, phone number and other information about the restaurant, a description of the restaurant food and other characteristics, and a community rating (such as a star system and/or relative cost index). If a listed restaurant has its own web site, a hyper-link between the restaurant listing and that web site may also be provided.

Alternatively, or in addition thereto, each restaurant in the guide may have a link to a detailed page on the web site described herein. By clicking on the restaurant or the link, a user may read about and contribute to restaurant ratings and reviews, based on their own experiences with the restaurant. They can also check for other detailed information such as parking availability, payment types accepted, handicap accessibility, hours of operation, reservation information, etc. By enabling users to contribute restaurant ratings and reviews, the rating system becomes interactive and adds significant value.

By maintaining a listing of individuals who provide rating and reviews and tracking demographic profile information based on the user, a database may be created to enable the web site to suggest to users other restaurants they may

like based on similarity of preferences with other users who have provided reviews.

5 To participate in an auction, the user may click on an auction icon from a restaurant listing or a restaurant detailed page. The user can bid in a variety of ways. For example, the user can monitor the bids and periodically revise the bid the user is willing to make. Preferably, any user placing a bid first registers and provides payment information, demographics, contact information and other information that may be desirable.

10 An auto bid feature, also referred to as proxy bidding, may be used to enable the user to submit a maximum bid. The system then bids for the user in small increments (preferably specified by the user) starting with the bid minimum.

15 According to another embodiment of the invention, if multiple certificates are awarded from one auction, a dutch auction technique may be used so that the closing price is equal to the lowest winning bid.

20 As an enticement for users to provide demographic and other information, a personalized page feature may be used for each registered individual. For example, registered users may set up personalized auction lists, check on their rewards, access member support services and other services and features. For example, a "my auctions" portion of the personalized pages may enable the user to monitor his or her current bids or create and browse through custom auction lists.

A "my rewards portion" may be provided to facilitate a loyalty or affinity program for repeat users. This aspect of the invention may enable points or other benefits to be accumulated by users. For example, in addition to providing points for users who participate in auctions, points or other credits may be provided to users who are responsible for having restaurants join the program or other users register with the program. Various awards and rewards based on points may be provided on-line or off-line.

The personalized page may also include a "my profile" section. This section enables the user to update personal information preferences and other information to enable customized information to be obtained about and provided to the user. For example, targeted marketing techniques may be used to inform the user of auctions or other promotions that may be of interest to the user. The targeted marketing and promotions may be based on the user's specified preferences. In addition, an on-line support feature may also be provided.

Another portion of the web site includes a restaurant management feature. This feature enables participating restaurants to create auctions, manage auctions, and monitor the results of auctions. This portion of the web site may include various features such as a product feature, a services feature, a partners' feature, and other features. For example, restaurants that have registered with the web site may view customized web pages that provide access to their auction postings, customer information, certificate sales history and member support. For example, the auction postings feature may enable the

restaurant to create new options, delete or modify existing options and track current bids. A "my customers" portion may enable a user to view aggregate, or permit specific data on customers, including demographic information, dining frequency and other user information. As detailed below, these and other features may be incorporated into a data warehouse to enable more sophisticated analysis and targeted marketing. A promotion feature of the auction manger may be used to facilitate marketing and promotion campaigns. For example, based on user profile information, and user address information (for example, email) targeted marketing campaigns may be effectively implemented.

10 A sales history portion of the auction manager may enable restaurants to track sales and bids to date. For restaurants and restaurant chains, this information may be provided by days, weeks, months, store region, etc. An account feature of the auction manager enables restaurants to view their account status with the web site. For example, according to one business method, the web site operator may collect a fee for each certificate sold or each certificate posted. Various techniques for collecting the fee may be implemented.

15 According to one embodiment, the restaurant is billed on-line or off-line for each certificate successfully offered by the restaurant. According to another embodiment, the web site operator may charge successful bidders directly, keep a service fee, and provide the remaining balance to the restaurant. Various other alternatives for billing may also be provided.

20 According to another business method of the invention, the web site operator may assist the restaurant in targeted marketing campaigns. As

discussed above, one way in which this may be done is via email on user's profile information, demographic information, and other information about the user. The web site operator may charge a fee (for example, \$ 0.25 per email) for conducting the targeted campaign for a particular restaurant or a restaurant chain.

The auction listing process may include several features to facilitate and simplify the process. For example, a registered restaurant or restaurant chain may set up an auction that occurs at regularly scheduled intervals until canceled. Alternatively, various restaurant specific information may be stored and used in connection with each auction posted, and only the terms to be varied need to be addressed by the restaurant. For example, when a new auction is created, an item description may be provided by the restaurant. A set of restrictions may then be applied. The restrictions may specify when the certificate is valid. For example, the restaurant can specify the dates, day, month, year for which the period begins and the day, month, year and hour the validity expires. The restaurant may also identify the retail value of the certificate or other benefit(s) to be auctioned. The restaurant may then specify a starting bid amount, for example, at least one third of the retail value or other amount specified by the restaurant. The restaurant may specify the quantity of certificates to be auctioned for that particular auction. The restaurant may further specify the duration of the auction. For example, the auction may be opened for several hours, several days or other time period.



According to another aspect of the invention, an instant purchase feature may be used. The instant purchase feature may enable a restaurant to specify a fixed dollar amount for which the user may buy the certificate without participating in the auction. For example, if a \$50.00 certificate has a \$20.00 minimum bid, an auction may proceed on that basis. However, a restaurant may wish to also provide some \$50.00 certificate with an instant purchase feature of \$35.00 so that any user who wishes to purchase the certificate immediately for \$35.00 may do so without waiting for the conclusion of an auction.

During an auction set up, the restaurant may also specify a recurrence of the auction. For example, the restaurant may select from daily, weekly, every two weeks, monthly or any other period, or may specify that it is a one time auction only.

According to another business method of the invention, optional features may be provided for premium fees. These optional features may enable a restaurant to increase the prominence of the display of its auction versus other auctions hosted by the web site. For example, a restaurant may display a bold-faced title to its auction for a fee. According to another feature, a particular auction may be highlighted within a particular category (for example, cuisine, city, etc.) According to another feature, certain auctions may be listed on the home page of the web site so that users see these particular auctions immediately without having to search through listings. Each of these features, or combination thereof, along with additional features may be used thereby generating additional revenue.

The process of providing the winning bidders with auction certificate may be accomplished in a variety of ways. For example, according to one embodiment, electronic certificates may be downloaded to the winner or emailed to the winner upon completion of the auction. The winner may then present the certificate to the restaurant and redeem it for value. Preferably, if this method is used, the certificate may include the relevant information including the dates of validity, any payment required, the auction winner's name, etc. After dining, the value of the dining certificate is credited to the diner's bill. If the certificate is not pre-paid in a manner described above, the user may pay for the certificate and any balance due at the same time upon completion of the meal.

According to another embodiment, upon successfully winning an auction, an electronic certificate may be sent to the restaurant and/or the winner. If an electronic certificate is sent to the restaurant, the user may simply inform the restaurant that there is a certificate for the user and that amount may be credited automatically to the user's bill so that the user does not need to have a printed certificate. Various other options may be used.

If the certificates are paid for by the winner at the time of the certificate redemption, a mechanism may be established to enable the web site to receive an attendance report or other information to enable it to bill the restaurant for whatever service fee was agreed upon for the auction service.

Certificate sales may be monitored using a sales history option on the web site. This information may be stored by restaurant, by chain, or by other

features. The information in the sales history portion may include the number of bidders, any associated time period, the number of certificates sold, the average closing price for each auction or auctions occurring at various times, days, weeks, etc., and the percent of the retail value for which the certificates were sold during a specified period. This information may be presented in various formats including tables, charts, etc.

In addition to increasing sales at restaurants or other establishments by reducing excess capacity, the present invention may provide useful aggregated information to restaurants regarding its customers. For example, a current stats feature may be provided to enable a restaurant to examine aggregate data on all the users who have bid on its auctions or bought one or more certificates. Restaurants may also create surveys to obtain custom information by premium data on competitors' customers.

Customers statistics provide insight to the customer's habits and dining preferences, thereby suggesting ways to more effectively tailor future promotional campaigns. For example, without limitation, the customer statistics may include gender, age, industry/occupation, annual income, zip code, distance from home to restaurant, frequency of dining out, number of bids placed (by restaurant or total), favorite way to learn a promotion (*e.g.*, email, snailmail, telephone, TV ad, radio ad, print ad, on-line ad, or other ways), price sensitivity information (*e.g.*, how much a person cares about getting a good deal when they eat).

The targeted marketing campaign may be facilitated through the web site. For example, a restaurant may buy access to email lists and add space on on-line notices to tailor their marketing to customers likely to be interested in such promotions. The web site may include a promotion management module that enables restaurants to implement these and other features. For example, the promotion management feature may include a section to enable a restaurant to create an email promotion. This may enable a restaurant to create a target campaign and send it to customers by email or other delivery mechanisms. The restaurant may create a web promotion by buying premium space on the web site including selected portions of the auctions and category home pages. Restaurants can also create customized messages that enable the web site users to see these messages as they browse through the site.

Each restaurant's account information including current statement, statement archives, restaurant profiles and contact information may be maintained by the site as well.

According to another aspect of the invention, the web site of the present invention and the promotion features may be linked in to a restaurant reservation system. In this way, more detailed information may be obtained about a restaurant's capacity, the effectiveness of auctions, and historical trends can be discerned. Other benefits may be obtained as well. For example, on successfully winning an auction and being notified, a user may use the web site to request an on-line reservation.

### **Brief Description of the Drawings**

FIG. 1 is a schematic block diagram providing an overview of a system according to an embodiment of the present invention.

5 FIG. 2a is an illustration of a registration module for a customer according to an embodiment of the present invention.

FIG. 2b is an illustration of a registration module for a restaurant according to an embodiment of the present invention.

FIG. 3 is an illustration of an auction module according to an embodiment of the present invention.

10 FIG. 4 is an illustration of a graphical user interface for personalized auction information according to an embodiment of the present invention.

FIG. 5 is an illustration of a restaurant guide module according to an embodiment of the present invention.

15 FIG. 6 is an illustration of a restaurant manager module according to an embodiment of the present invention.

FIG. 7 is an illustration of a rewards and referral module according to an embodiment of the present invention.

FIG. 8 is diagram of a flowchart of an auction process according to an embodiment of the present invention.

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### **Detailed Description of the Preferred Embodiments**

One embodiment of the present invention enables a restaurant (or other entity) to auction gift certificates valid for a predetermined period of time so that

customers or potential customers may bid on these certificates. The predetermined period of time may include off peak hours of restaurant attendance. For example, some restaurants may have excess capacity on Monday - Thursday nights between 4 p.m. and 7 p.m. This results in empty  
5 seats and lost revenue. The present invention provides a creative and interactive system and method for auctioning gift certificates at restaurants where the time period of use may be set for off peak hours, days, nights, or even weeks or months.

The present invention may include at least a registration module, an  
10 auction module, a restaurant guide module, a restaurant manager module, a rewards and referral center module, a reservation system module, a feature auction display, an advertisement display, and other service modules and displays.

The registration module enables potential customer participants to sign  
15 up to receive restaurant information services and to participate in auctions for restaurant gift certificates and merchandise at a price below the face value. The potential customer may enter identification information, demographic information, restaurant preferences, and other related information. The information is stored in a database and may be subsequently used by restaurants  
20 for targeted marketing predicated on detailed customer information.

The registration module also enables potential restaurant participants to post auctions for gift certificates and merchandise. Restaurants may target off-peak days, nights, and hours. Thus, capacity is increased and revenue is

enhanced. Registration with the present invention may also enable restaurants to post advertisements and receive valuable marketing information. The system of the present invention may aggregate all bidding data and provide restaurants with detailed information on their customers and their dining habits, making it easier to target meals, services, and promotions effectively. Restaurants may also participate in chat rooms and message boards to interact with their guests and reach potential or lost customers.

The auction module enables customers to search for a particular restaurant or browse through a category of restaurants and bid on gift certificates or merchandise. The bids may be less than face value in some embodiments to entice users to make a bid on an off-peak restaurant time. The customer may place a bid and periodically update the bid. Alternatively, the customer may use an auto-bid option where a maximum amount is set by the customer and small increments are placed automatically. The customer may also view a personalized auction list that tracks information on a restaurant or restaurants of particular interest to the customer. The personalized auction page may also monitor the customer's rewards, customer's profile and targeted marketing information which may include promotions or special offers to restaurants of interest to the customer.

The restaurant guide module enables customers and potential customers to locate restaurants by cuisine, area, price range and other characteristics. A guide listing provides a description of the restaurant along with additional information, such as location, average price, reviews, cuisine, and directions.

Customers may view reviews from other diners describing recent dining experiences at a particular restaurant. Also, customers may post reviews of their own dining experiences. Customers may also view and participate in current auctions for gift certificates. Hyper-links to information related to a restaurant may also be provided, such as menus, reviews, and an official restaurant website. A recipe center and chat/message board are also available to establish communication between restaurants and customers, including current and potential customers. A gifts center may be available to enable customers to browse and purchase products affiliated with a particular restaurant or products that related to cooking and dining in general. For example, customers may purchase hats, mugs, recipe books, articles of clothing, such as shirts, sweatshirts, jackets, and other types of merchandise imprinted with a particular restaurant. In another example, customers may purchase cooking tools, spices, and cook books that relate to cooking/dining in general and may have no affiliation with a particular restaurant.

A restaurant manager module enables a restaurant to create new auctions, delete existing auctions, modify existing auctions, track current bids, set schedules for the activation of one or more auctions, and create and update auction templates. In addition, restaurants may access customer information to view demographic and dining frequency information. By using this information, restaurants may create targeted advertisements and promotions to customers and potential customers. Sales history is also available to the



restaurant. Targeted advertisements may be based on past sales records. Account information regarding fees and payment information are also available.

A rewards and referral module enables a customer to monitor and redeem points and credits awarded to the customer by the present invention. For example, by providing email addresses of friends, business associates, family members, or acquaintances, a customer may receive monetary or other types of rewards.

FIG. 1 is a diagram of an overview of a system 100 that provides auction services and restaurant information services according to an embodiment of the present invention. A plurality of users 102 and restaurants 104 may access system 101 through the Internet or other communication channel. System 101 may contain various service modules and displays including a registration module 110 which may include a module for customers 112 and a module for restaurants 114, an auction module 120, a feature auction display 122, a restaurant guide module 130, a restaurant manager module 140, a rewards and referral center module 150, a restaurant reservation system module 160, and an advertisement display module 170. System 101 may also access databases containing various information regarding customers, restaurants and other pertinent information. For example, databases may include profiles of customers 180, profiles of restaurants 182, sales history records 184, and marketing data 186.

Restaurant reservation system module 160 enables users to make reservations at a desired restaurant by providing information, such as time,

number of people, seating preferences, etc. Feature auction display 122 may serve as a premium spot for restaurants to inform users of current or upcoming auctions for dining certificates or other merchandise. Advertisement display 170 features ads from participating restaurants or other merchants.

5 To obtain the services and benefits of the present invention, a potential customer may register with system 101, at registration module 112. Previous customers may proceed directly to another module to begin use of the system without re-registering multiple times. FIG. 2a provides an example of a registration page for a potential customer participant. Registration information  
10 may include identification information module 210, demographic information module 220, restaurant preference information module 230, and other information modules. For example, identification information may include the potential customer's name, email address, zip code, and a username and password for access to the processing system of the present invention.  
15 Demographic information may include profession, income, gender, and age. Restaurant preference information may include dining frequency, favorite restaurants, favorite types of foods, preferred price range, and preferred location of restaurants.

FIG. 2b provides an example of a registration page for a potential  
20 restaurant participant. Registration information may include restaurant description module 250, meal description module 260, facilities description module 270, and other information modules. For example, registration information may include a brief restaurant description, contact person, type of

cuisine, average meal price, address, phone number, fax number, email address, hours of operation, credit card access, wheelchair access, parking, valet parking, party space, banquets, outdoor seating, live music, view, child friendly, smoking areas, and other information relating to the restaurant's attributes.

5           FIG. 3 is an illustration of an auction module according to an embodiment of the present invention. Auction module 120 may contain a search-for-auction module 310, an auction display module 320, a bidding module 330, and a personalized auction page module 340.

10           Search-for-auction module 310 may enable the user to locate an auction or auctions by restaurant name through restaurant name module 312, cuisine type through cuisine type module 314, location including city, zip or geographic area, certificate days valid, and other characteristics. The module may also enable the user to enter specific search terms, at search term module 316. Alternatively, a listing of cuisine, cities, etc., may be displayed so that a user  
15           may click on a category to view a listing of auctions relevant to that listing, at listing module 318.

          An auction display module 320 may then display the auction or auctions. The name of the restaurant with a link to view the restaurant guide and a description of the certificate being auctioned including promotional material,  
20           time period, number of certificates, time left to bid, the value of the certificate, minimum bid, status of the auction and current bids may be displayed. Promotional materials may include a slogan, advertisement, a graphic, or a logo relating to a restaurant.

After the bids have been processed, processing system 101 determines the winner of a particular auction. The winner may then be posted through winner module 350. Losing bidders are also notified that the auction that the bidder bid on closed without being declared a winner. In addition, the losing bidder may be notified of other auctions that correspond to one or more parameters of the auction on which the bidder unsuccessfully bid. Also, the winner may download the certificate or item for redemption. Alternatively, the winner may request that the certificate be sent to the restaurant where the winner may inform the restaurant of the certificate at time of redemption.

The user may participate in the bidding through bidding module 330. The user may enter the quantity of bids through quantity module 332, and a bid amount through bid amount module 334. The user may bid in a variety of different ways. For example, the user may monitor the bids and periodically revise the bid to an amount the user is willing to pay. Alternatively, the user may select an auto-bid feature that allows the user to submit a maximum bid amount and a bid increment amount where the bids are automatically incremented up to the maximum amount specified. If multiple certificates are awarded, a dutch auction technique may be used so that the closing price is equal to the lowest winning bid.

To use the system, a personalized auction page module 340 may be provided. FIG. 4 illustrates an example of a personalized auction page which displays information according to the user's preferences. A personalized auction page may include a "my auctions" module 410, a "my rewards" module

420, a "my profile" module 430, a marketing module 440, and a member support services module 450.

The "my auctions" module 410 may enable the user to create an auction list at create auction list module 412 by specifying a certain restaurant or restaurants of interest, particular characteristics of restaurants, type of cuisine, or other characteristics. The "my auction" module 410 may then display and monitor the current bids for the specified restaurants of interest through a monitor current bids module 414. Users may also browse through an auction list, at browse auction list module 416. The user may monitor and submit bids on gift certificates useable at the user's preferred restaurants.

The "my rewards" module 420 may enable the user to monitor points, credits, and other awards attributed to the user through monitor my rewards module 422. For example, the user may be awarded points or credits for signing up individuals with the present invention. Users may also receive awards and credits for signing up restaurants with the processing system. At any time, a user may redeem or cash in the accumulated points and credits for gift certificates, cash or other types of awards or benefits through redeem my rewards module 424.

The "my profile" module 430 enables the user to modify and update personal preferences and settings, at update preferences module 432. A user may change targeted advertisement settings or restaurant preferences. These settings may affect the type of information received by the user regarding promotions and special offers.

Marketing display 440 presents promotions and special offers from restaurants that are of particular interest to the user based on the user's profile, preference settings, sales history, and other personalized information.

FIG. 5 is an illustration of a restaurant guide module 130 according to an embodiment of the present invention. The restaurant guide provides a quick and easy way to obtain information regarding possible places to dine. Reviews and comments by recent customers, driving directions and other pertinent information are provided by this module. Restaurant guide module 130 may include a search module 510, a current auctions display module 520, a guide listings module 530, a recipe center module 540, a gifts center module 545, and a chat/message board module 550.

Search module 510 enables a user to search for a restaurant or restaurants by cuisine type through cuisine module 512, price range through price range module 516, location through area module 514 including zip code, city, or region, or other search parameters. The results of a search may be presented in guide listings module 520.

Guide listings module 520 may provide a description of a restaurant or restaurants including an address, phone number, cuisine type, hours of operation, driving directions, a map, and other characteristics, at description module 522. The user may also view auctions associated with this restaurant and current auctions that are in progress. A community rating and review may also be presented to the user, which may include a cost index, reviews posted by other users of the present invention describing recent dining experiences, at

community rating module 524. Information regarding parking, payment options, handicap services, etc. may also be available. Users may post a personal review of the restaurant. A hyper-link to the restaurant's official home-page may also be available along with links to menus and published reviews. In another embodiment, a hyper-link to a separate restaurant page presented by the present invention containing detailed information regarding the restaurant may also be made available.

Current auctions display module 530 displays all the auctions that are currently in progress. If an auction of interest is displayed, a user may participate by placing a bid. A description of the restaurant, at current auction description module 532, along with the specifics of the auction, community ratings and other relevant information may be presented to the user, at current auction community rating module 534.

Recipe center module 540 may provide various recipes and cooking tips from chefs of various restaurants. Alternatively, customers may be able to purchase recipes or a compilation of recipes from a particular restaurant or type of cuisine. This module may also serve as a reference for cooking terminology, exotic and conventional spices, restaurant etiquette, and other topics relating to recipes and dining.

Gifts center module 545 may enable customers to browse and purchase products that may be associated with a particular restaurant or products associated with restaurants in general. For example, a popular Mexican restaurant may provide hats, mugs, T-shirts, sweatshirts and other items

imprinted with the restaurant's logo. The gifts center module 545 may offer products related to cooking or dining in general. For example, cooking products, such as salt & pepper grinders, spices, and cooking utensils may be available for purchase.

5 Chat/Message board module 550 may provide a forum for customers (or potential customers) and restaurant managers, employees or chefs to communicate with each other. Restaurants may obtain valuable feedback from customers regarding service, cuisine/menu selection, ambiance, particular employees of the restaurant (e.g., host, hostess, waiter, waitress) and other  
10 information. Also, customers may communicate with other customers of similar tastes in cuisine/restaurants and dining preferences. This service may even serve as a suggestion box for restaurants that value customer feedback.

FIG. 6 is an illustration of a restaurant manager module 140 according to an embodiment of the present invention. This module provides restaurant  
15 participants with a plurality of services, including auction postings and targeted marketing strategies. Oftentimes, restaurants advertise to the public in general. This method of advertisement is ineffective and too broad because specific interests and needs of customers are not addressed. As a result, potential customers are lost and resources are wasted. By providing a method and system  
20 of obtaining accurate and recent demographic, identification, and dining information of customers, restaurants may target advertisements to meet the needs of each individual customer thereby attracting more new customers and keeping the current ones. The present invention also provides restaurants with



information on the method of communication most preferred by customers. For example, some customers may prefer to receive information via email as opposed to mail delivery. If advertisements and promotions are specifically geared to a customer's personal interests, that customer is more likely to read and take advantage of the special offer. Otherwise, general advertisements are often discarded.

For example, a customer may indicate on his profile that he prefers pasta, chicken, and Italian cuisine, but is allergic to seafood. Targeted advertisements relating to Italian restaurants with special emphasis on pasta dishes with chicken may be sent to this customer. However, advertisements relating to seafood may be avoided.

Restaurant manager module 140 may provide an auction postings module 610, a "my customer" module 620, a promotion module 630, a sales history module 640, and an account module 650.

Auction postings module 610 enables the restaurant to create new auctions, delete existing auctions, and modify existing auctions, at create/delete/modify module 612. Also, current bids may be tracked and monitored, at monitor auction module 614. The restaurant may create, delete and modify auctions through the web-site of the present invention, by fax, or phone service. Also, a schedule may be set by the restaurant wherein a specified number of gift certificates with specified conditions may be made available for auction at a set schedule, at set schedule module 616. For example, ten gift certificates for a particular restaurant may be schedule to be auctioned off every

Tuesday for a designated period of time. Restaurants may also store templates of gift certificates at this module for ease in completion and posting.

The "my customers" module 620 enables a restaurant to view aggregate or specific data on customer demographics, dining frequency, and other related information, at view data module 622. A restaurant may also create a survey to be filled out by users of the present invention for more detailed information, at create survey module 624. Restaurants may use customer and dining information to create targeted advertisement to attract a particular customer or group of customers.

Promotion module 630 enables the restaurant to create highly targeted marketing strategies. For example, this module provides the ability to create an email promotion, a web promotion, customized messages online, or other marketing techniques geared to meet the needs of potential customers or current customers. Restaurants may also specify the location of advertisement for greater exposure on areas on the web-site designated as premium space, which may include the home-page, front module pages, etc. Font, size, graphics, color, animation, duration, and other features may be specified for optimal presentation of advertisement. For example, an advertisement may be displayed as the feature auction display 122 on the home-page of the present invention.

Sales history module 640 enables the restaurant to track and monitor sales through the present invention, view bids-to-date, and process other bidding information. This information may be organized by days, weeks, months, store region, and other parameters. A sales history report may also include contact

information, biographical information, purchasing habit information, and dining preferences. In addition, targeted advertisement may be generated based on past sales information.

Account module 650 provides information regarding fees for each certificate sold or posted. Restaurants may check the status of their bill for various services. For example, the processing system may charge a fee for use of advertisement space on certain premium space. Also, a fee may be generated based on the number of certificates sold through the system. Payment by credit card, checking account, or other modes of payment may be made on this module.

Summary page module 660 may provide the restaurant with a report outlining the results of an auction for one or more items posted by the restaurant. Attendance report module 670 may allow the restaurant to indicate which winners redeemed the items at the restaurant. The information gathered from these modules may be used for targeted marketing and promotions.

FIG. 7 is an illustration of a rewards and referral module 150 according to an embodiment of the present invention. The user may monitor through monitor rewards module 710, and redeem points and/or credits awarded to the user for referrals or other reasons through redeem rewards module 720. The user may provide email addresses or other information of individuals who may be interested in receiving information regarding the present invention through refer friends module 730. For example, for each individual that signs up with the present invention as a result of a referral, the user is awarded points or

credits. Also, a user may receive points for each restaurant that signs up with the present invention. When a sufficient amount of points and/or credits have been accumulated, the user may request redemption in cash, gift certificates, or other types of awards.

5           FIG. 8 is a diagram of a flowchart of an auction process according to an embodiment of the present invention. A restaurant may post an auction for a dining certificate using the web-site of the present invention, fax, or phone, at step 810. A potential customer may enter the web-site and search for a restaurant of interest by location, cuisine, restaurant name, meal type, certificate  
10       days valid, or other parameters. The potential customer may bid on a certificate of choice after credit card registration. When a desired restaurant is found, the potential customer may bid on the dining certificate for a fraction of the face value, at step 820. When a winner is determined, the auction is closed at step 830. Winners and losers may be notified by email, fax, phone or other modes of  
15       communication. Also, restaurants may receive a summary page outlining the results of the auction by fax, email, phone or other modes of communication. The winner may dine at the restaurant and receive a discount equal to the dining certificate for the bill, at step 840. The restaurant may then report the customer's attendance in order to ensure correct billing and responsible bidding  
20       by customers, at step 850.

When posting an auction at step 810, restaurant may provide a variety of information. This information may include an item description (dining certificate or merchandise), restrictions (valid dates and times), retail value,

other benefits, starting bid amount (for example, 1/3 of the retail value), quantity, duration of auction, instant purchase option, recurrence of auction (for example, daily, weekly, etc.), and optional features which may include increasing the prominence of the display through font, bold face, highlight, graphics, and placement on home page and other pages. An instant purchase option may enable a restaurant to specify a fixed dollar amount for which the user may buy a certificate without participating in the auction. For example, a restaurant may wish to provide a specified quantity of \$50.00 certificates with an express feature of \$35.00 so that any user may purchase the certificate immediately without participating in an auction.

Auction certificates may be provided to winners in a variety of ways. For example, electronic certificates may be downloaded by the winner or emailed to the winner at the close of the auction, after proper payment at the closing price. The winner may present this certificate to the restaurant and have the amount credited to his or her bill after the dining experience. If the certificate is not pre-paid, the user may pay for the certificate and any balance due after dining at the restaurant.

An electronic certificate may be sent to the restaurant and/or the winner. If an electronic certificate is sent to the restaurant, the user may inform the restaurant of the certificate available to the user where the amount is credited automatically to the user's bill. In this case, the user does not need to possess the certificate when dining. After a customer wins a bid, he or she may make a

reservation at the restaurant where the certificate is valid, at restaurant reservation module 160.

5 Certificate sales may be monitored by sales history. The information may include the number of bidders, number of certificates sold including characteristics of the certificates, average closing price, the percent of the retail value for which the certificates were sold and other relevant information.

10 Other embodiments and uses of the invention will be apparent to those skilled in the art from consideration of the specification and practice of the invention disclosed herein. The specification and examples should be considered exemplary only.